



ESTONIA

LATVIA

LITHUANIA

Baltic
Sea

■ The Baltic States

A Sea of Opportunity

by Andrea Lupo

Central and Eastern Europe Business Information Center (CEEBC)

The Baltic Sea region is one of the fastest-growing commercial areas in Europe.

Trade in the Baltic region, which encompasses Scandinavia, Germany, Poland, Estonia, Latvia, Lithuania, and northwest Russia, increased 30 percent annually between 1993 and 1998. The region as a whole has a population of approximately 100 million people, which represents a sizable market with access to the larger markets of Western Europe and the former Soviet Union. As trade between the West and the East expands, the Baltic Sea region will continue to play a pivotal role in the global market, and it will also be an increasing target for U.S. exports.

In the heart of the Baltic Sea region, nestled between Finland and northwest Russia, lie the Baltic states of Estonia, Latvia, and Lithuania. Although these three countries represent a small portion of the Baltic Sea region (roughly 7.5 million people and a total territory of 175,015 square kilometers), they have shown promise in overcoming the obstacles left behind by the defunct Soviet economy. Upon gaining their independence from the Soviet Union in 1991, the three Baltic

nations have made vigorous strides to privatize industries as well as to establish legal systems conducive to trade and protective of investments. As a result of these efforts, all three of the Baltic states have been included in the group of 10 countries scheduled to join the European Union in 2004.

In light of the encouraging economic developments in the Baltics, the U.S. Commerce Department's under secretary of commerce for international trade, Grant Aldonas, accompanied by Henry Levine, deputy assistant secretary of commerce for Europe, traveled to Lithuania in October 2002, to meet with Lithuanian government officials and business community representatives to explore commercial opportunities for U.S. firms and discuss mechanisms to encourage trade. As a follow-up to the under secretary's visit, Linda Conlin, assistant secretary of commerce for trade development, will also travel to Lithuania in December 2002, to meet with various government ministries to determine industry sectors and projects of possible interest to U.S. businesses.

Each of the Baltic states shares a similar past and has similar domestic and

foreign policy goals, including joining the European Union and developing commerce. However, these countries have different commercial policies and different economic strengths. The key to the region is identifying these strengths and navigating the sea of opportunities.

CEEBC trade specialists Reese Sepp, Jonas Vasilevicius, and Aldis Celms contributed to this article. Main sources: *Country Commercial Guide: Estonia*; *Country Commercial Guide: Latvia*; *Country Commercial Guide: Lithuania* (all three published by the U.S. Commercial Service and U.S. Department of State, 2002); *The World Factbook* (CIA, 2002); Estonian Investment Agency; Bank of Estonia; Statistical Office of Estonia; *Direction of Trade Statistics Yearbook* (IMF, 2000); *World Trade Atlas* (Global Trade Information Services, Inc., 2002); Lithuanian Department of Statistics; Klaipeda State Seaport; Lithuanian Development Agency; Latvian Development Agency; and the Central Statistical Bureau of Latvia.